

# SENATE BILL REPORT

## SB 6296

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As Reported By Senate Committee On:  
Economic Development, Trade & Management, January 25, 2008

**Title:** An act relating to increasing job creation and encouraging self-employment in the state.

**Brief Description:** Increasing job creation and encouraging self-employment in the state.

**Sponsors:** Senators Kilmer, Hobbs, Shin, Franklin, Marr, Sheldon, Kastama, Rasmussen, Kauffman, Keiser, Haugen and Hatfield.

**Brief History:**

**Committee Activity:** Economic Development, Trade & Management: 1/22/08, 1/25/08 [DP-WM].

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Kauffman, King and Shin.

**Staff:** Aaron Gutierrez (786-7448)

**Background:** The Washington Small Business Development Center (SBDC) provides assistance, training and support services to small businesses and entrepreneurs. The SBDC currently operates with federal funds and some state funds. The SBDC charges a nominal fee for a few training services.

**Summary of Bill:** A credit is allowed against the business and occupation tax for contributions made to the SBDC. The credit is limited to one hundred thousand dollars per calendar year per person. The total amount of tax credits available from the state can not exceed nine hundred thousand dollars per year. The credit can be carried forward for three years. There are no refunds for unused credits. The contributions can be used to support satellite offices or increased assistance for small and start up businesses, among other things.

The SBDC will work with other state organizations to integrate small business development centers with other state economic development and work force development programs. The SBDC will also encourage the development of inter-institutional entrepreneurial education, training and assistance programs.

**Appropriation:** None.

**Fiscal Note:** Available.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Statewide, efforts by the small business development centers have resulted in 1352 new jobs, 238 businesses created, 557 businesses retained, 3080 clients served, and 107 million dollars in new capital.

Current staff level is not enough to meet the demand. This bill will help create a net increase in the amount of staffing, and even one or one-half additional staff member would be of great help.

Most funding for the centers is obtained through a large amount of fundraising, much of it from private entities. This bill would provide a more consistent funding source, and free up staff who now spend time fundraising.

**Persons Testifying:** PRO: Senator Kilmer, prime sponsor; Celia Nightingale, Rand Riedrich, Small Business Development Center; Denny Eliason, Washington Bankers Association.